



JOY HOFMEISTER  
STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

## MEMORANDUM

**TO:** The Honorable Members of the State Board of Education

**FROM:** Joy Hofmeister

**DATE:** May 28, 2015

**SUBJECT:** Proposed Qualified Zone Academy Bond (QZAB) Allocation

The Oklahoma State Board of Education has the authority to approve \$7,617,000 from the 2013 and 2014 allocations and has the capacity to authorize the issuance of this amount in QZABs.

The QZAB Program is not for new construction and has minimal or no interest. Also, a district must have at least thirty-five percent (35%) of the students eligible for free or reduced-priced lunches under the federal school lunch program.

The State Department of Education began accepting new applications from school districts at 8 a.m., April 8, 2015. Applications, which satisfy all the requirements, are awarded in the order in which they are received in accordance with the rules adopted by the State Board of Education, Oklahoma Administrative Code 210:40-83-3. Tahlequah Public Schools is requesting \$1,000,000 to renovate district wide roofs, HVAC systems, and energy management system. Approval is recommended.

jh/nh

Attachments

## **Qualified Zone Academy Bonds**

### **210:40-83-3. Procedures for solicitation and acceptance of district applications**

- (a) A notification letter will be sent by the State Department of Education to each district superintendent or elementary superintendent announcing the availability of the application forms for Qualified Zone Academy status.
- (b) The notification will clearly state the name and telephone number of the contact person at the Department who administers the program.
- (c) The signature of the superintendent of the local education agency must appear on the application.
- (d) The application and three copies must be submitted to the contact person. A specific deadline will be clearly stated in the application solicitation letter. This date may vary from year to year depending upon availability of funds.
- (e) The applications will be accepted and funds allocated on a first-come, first-served basis.
- (f) Applications must be fully completed and satisfy all criteria in order to be considered.
- (g) All applications must include the following:
  - (1) Public school must be located in an empowerment zone or enterprise community OR have 35 percent of the students (or participants in the program) must be eligible for free or reduced-cost lunches under the Federal school lunch program.
  - (2) The school must enter a public-private partnership.
  - (3) The academic program of the school must be designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex work force.
  - (4) The school must have commitments for substantial business support and qualified contributions of at least 10 percent of the capital provided. Qualified contributions include: equipment for use in the school, technical assistance in developing the curriculum or in training the teachers, services of employees as volunteer mentors, internships, field trips, or other educational opportunities outside the academy, or other property or service specified by the local school board.
  - (5) Ninety-five percent or more of the proceeds of the issue must be used for a qualified purpose.
  - (6) The issuer of the bond or loan must certify that it has written assurances that the private business contribution requirement will be met with respect to the school.
  - (7) The issuer of the bond or loan must certify that it has the written approval of the local school board for the issuance.
- (h) The maximum bonding amount which can be requested under the Qualified Zone Academy Bond program is \$1,000,000.
- (i) After evaluation, the State Superintendent will recommend to the State Board of Education those applications which have been determined to be eligible for funding.

[Source: Added at 15 Ok Reg 4273, eff 9-3-98 (emergency); Added at 16 Ok Reg 1755, eff 6-11-99]

### **210:40-83-5. Return of unused allocation**

- (a) Any local education agency which receives an allocation under the Qualified Zone Academy Bond program but does not utilize the full amount of the allocation will notify the contact person at the State Department of Education of the amount not used. Notification will occur at such time as the local education agency is reasonably sure a portion of the allocation will not be used. The purpose of the notification will be to "return" the unused portion of the allocation to the State Department of Education for reallocation to other qualified applicants.
- (b) Upon notification by a local education agency of an unused portion of an allocation, the administrator of the program at the State Department of Education will determine if qualified applications for the Qualified Zone Academy Bond program remain unfunded. If such applications exist, the procedures for funding cited in section 210:40-83-3 (i) of this subchapter will be followed. If no qualified applications exist, the returned allocation will be held over to the next funding year and allocated at that time.

[Source: Added at 17 Ok Reg 152, eff 10-12-99 (emergency); Added at 17 Ok Reg 2920, eff 7-13-00]

**JOY HOFMEISTER**  
**STATE SUPERINTENDENT OF PUBLIC INSTRUCTION**  
**OKLAHOMA STATE DEPARTMENT OF EDUCATION**  
**2014-2015 QUALIFIED ZONE ACADEMY APPLICATION**

SCHOOL DISTRICT Tahlequah I035 SCHOOL SITE (If Applicable) \_\_\_\_\_

ADDRESS P O Box 517

CITY Tahlequah STATE OK ZIP 74465

TELEPHONE NUMBER (918) 458-4100 FAX NUMBER (918) 458-4103

CONTACT PERSON Lisa Presley TITLE Superintendent

AMOUNT OF BOND REQUESTED \$ 1,000,000.00 (\$1,000,000 MAXIMUM)

I hereby certify that this application is complete and truthful to the best of my knowledge.

  
 Superintendent  
  
 Richard D. Hanson  
 Notary

04/22/2015 03/15/2019  
 Date Commission Expires

**NOTICE:** All sections of this application must be fully completed in order for this application to be considered for Qualified Zone Academy status; Please submit the original to the State Department of Education.

JOY HOFMEISTER  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT OF EDUCATION

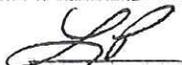
Statement of Assurances by the Superintendent:

(1) This public school is in an empowerment zone or enterprise community

\_\_\_\_\_ (initial)

OR

Thirty-five percent (35%) or more of the students (or participants in the program) are eligible for free or reduced-price lunches under the federal school lunch program.

 (initial)

(2) This school has entered into public-private partnership which will result in a qualified contribution to the school of at least ten (10) percent of the capital provided. Qualified contributions include: equipment for use in the school, technical assistance in developing the curriculum or in training the teachers, services of employees as volunteer mentors, internships, field trips, or other educational opportunities outside the academy, or other property or service specified by the local school board.

 (initial)

\*see attached

(3) Please provide a brief description of the partnership, including the private partner, the program or benefit to the school and the dollar equivalent benefit to the school.

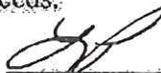
 (initial)

\*see attached

(4) The program has been designed to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex work force.

 (initial)

(5) Ninety-five percent (95%) of the proceeds of this bond will be used for a qualified purpose. Please describe the proposed use of the proceeds.

 (initial)

\*see attached

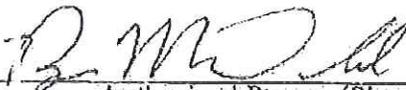
(6) In accordance with the Davis-Bacon Act, all laborers and mechanics employed by contractors or subcontractors on projects funded by QZAB proceeds shall be paid wages and fringe benefits at rates not less than those prevailing rates on similar projects in the locality.

  
\_\_\_\_\_  
Superintendent's Signature

JOY HOFMEISTER  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT OF EDUCATION

Statement of Assurances by the Issuer of the Bond or Loan:

- 1. I certify that I/we have received written assurances that the private business contribution requirement will be met with respect to the school.
- 2. I certify that I/we have the written approval of the local school board for the issuance of the bond.
- 3. I am/we are reasonably certain investors can be found to purchase these bonds.

  
Authorized Person (Signature)

Ryan McDonald  
Authorized Person (Print Name)

Stephen H. McDonald and Assoc., Inc.  
Bonding or Loan Company

1200 McKown Drive  
Address

Norman, OK 73072  
City, State, Zip

(405) 329-0123  
Telephone Number

February 16, 2015

Board of Education

Independent School District no. I-35

Of Cherokee County, OK

Tahlequah, OK. 74465

Dear Members of the Board:

Please accept this letter as a commitment by the Tahlequah Public Schools Foundation to make contributions to Tahlequah Public Schools. The total value of the contributions provided for in this letter is \$ 275,000. The contributions shall take the form of cash or cash equivalents.

It is expected that property will be contributed valued at the amounts shown below for the school district fiscal years indicated.

|           |                 |           |                 |           |                 |
|-----------|-----------------|-----------|-----------------|-----------|-----------------|
| 2014-2015 | <u>\$25,000</u> | 2015-2016 | <u>\$25,000</u> | 2016-2017 | <u>\$25,000</u> |
| 2017-2018 | <u>\$25,000</u> | 2018-2019 | <u>\$25,000</u> | 2019-2020 | <u>\$25,000</u> |
| 2020-2021 | <u>\$25,000</u> | 2021-2022 | <u>\$25,000</u> | 2022-2023 | <u>\$25,000</u> |
| 2023-2024 | <u>\$25,000</u> | 2024-2025 | <u>\$25,000</u> |           |                 |

As the party providing the donation to the school district, we understand that this commitment does not in any way manner constitute a charitable contribution until the tax year in which the contribution is actually made. We further understand that this letter of commitment does not constitute a contractual agreement to furnish the donations set out above, but it does represent the good-faith intentions of the part set out below.

Sincerely,

Dr. Lucas Foster, President

Tahlequah Public Schools Foundation

1 Plaza South, PMB #276

Tahlequah, OK. 74464

By: \_\_\_\_\_

A handwritten signature in black ink, appearing to be 'L. Foster', is written over a horizontal line. The signature is fluid and cursive.

The written commitment attached hereto is hereby acknowledged and accepted by Independent School District I-35 of Cherokee County as a private entity contribution under the terms of provisions in the Internal Revenue Code relating to Qualified zone Academy Bonds. By signature heron we the President and Clerk of the Board of Education of this school district and affixing of the Seal of said school district, and property set out on such written commitment is hereby declared to be property approved by said Board for private entity contribution with respect to Qualified Zone Academy Bonds.

Please provide a brief description of the partnership, including the private partner, the program or benefit to the school and the dollar equivalent benefit to the school.

The Tahlequah Public Schools Foundation encourages the local community to support Tahlequah Public Schools, to secure contributions and to distribute funds and equipment for the educational benefit of our students. The Tahlequah Public Schools Foundation partners with Tahlequah Public Schools to nourish excellence by providing annual teacher grants that broaden the range of educational experiences for students. This supplemental funding is in excess of \$25,000 per year for ten years for a total of \$275,000.

Tahlequah Public Schools I035  
**QZAB Lease Purchase 2015**

\* Energy efficient projects

|                    |    |            |
|--------------------|----|------------|
| Districtwide ROOFS | \$ | 444,500.00 |
| Districtwide HVAC  | \$ | 461,500.00 |
| Districtwide EMS   | \$ | 94,000.00  |

\* *upgrade energy management system*

|              |           |                     |
|--------------|-----------|---------------------|
| <b>TOTAL</b> | <b>\$</b> | <b>1,000,000.00</b> |
|--------------|-----------|---------------------|

ROOFS - High School Main Bldg approx 29,500 sf, Greenwood Elem approx 30,000 sf, Middle School approx 30,000 sf

HVAC - replace approximately 70 HVAC units that are 15-20+ years old (energy savings)

EMS - upgrade current Energy Management System software and complete connectivity to all school sites (energy savings)